

Message Text

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ACTION COME-00

INFO OCT-01 ARA-16 ISO-00 PA-04 PRS-01 USIA-15 CIAE-00

INR-10 NSAE-00 RSC-01 EB-11 AID-20 AGR-20 SIL-01

LAB-06 OMB-01 TRSE-00 SWF-02 SP-03 CIEP-02 DRC-01

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R 282230Z JUN 74

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 3531

UNCLAS SECTION 1 OF 2 GUATEMALA 3507

E.O. 11652: N/A

TAGS: BEXP, GT

SUBJECT: FY 1975 COMMERCIAL ACTION PROGRAM (CAP)

REF: STATE A-4303 OF 5/21/74

REGARDING EMBASSY'S CAP FOLLOWING SHOULD BE NOTED:
RESTRAINTS ON U.S. TRADE ARE PRACTICALLY NON-EXISTENT;
ONLY NOTEWORTHY ONE BEING TARIFF ON AUTOMOBILES WHICH
DISCRIMINATES IN INCREASING AMOUNTS AGAINST ALL CARS
WHOSE IMPORT COST IS OVER \$2,500. THIS IS A GENERAL
LEVY AIMED AT LIMITING THE IMPORTATION OF LUXURY AUTOS.
RE RESTRAINTS ON INVESTMENTS, ASIDE FROM BANKING CON-
STRAINTS, THE MAJOR ONE IS A SEVERE LIMITATION ON THE
USE OF OPIC'S INVESTMENT INSURANCE PROGRAM. THIS RE-
STRAINT IS SO INCULCATED INTO GOG POLICY THAT IT WOULD
BE NAIVE TO PRESUME THAT ANY EFFORT ON OUR PART UNDER
CURRENT CIRCUMSTANCES COULD SUCCEED IN ALTERING THIS
POLICY.R

WITH THIS SITUATION IN MIND, WE HAVE NOT SPECIFIED THE
COUNTERING OF RESTRAINTS IN OUR CAP.

CAMPAIGN NO. 1 - PACKAGING MACHINERY

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ANNUAL MAN-DAY ALLOTMENTS: FSO-5 E. CASTRO 22 MD; FSO-7

J. HOGAN 5 MD; FSL-8 R. VILLAGRAN 10 MD; FSL-6 D. MCCLUCKIE
10 MD.

ACTION 1: EFFECTIVE IMMEDIATELY UPON DEPARTMENT CONCURRENCE
FOR SEPTEMBER TECHNICAL SEMINAR ON PACKAGING, VILLAGRAN WILL
IN COLLABORATION WITH LOCAL CO-SPONSORS ICAITI AND GUATEXPRO
PREPARE MAILING LIST FOR THOSE INVITED TO THE SEMINAR.

ACTION 2: BY AUGUST 10, CASTRO WILL PUBLISH JULY-AUGUST
ISSUE OF COMMERCIAL BULLETIN LEAD ARTICLE ON PACKAGING, THE
TECHNICAL SEMINAR AND THE PMMI OCTOBER SHOW IN CHICAGO. ALSO
BY THIS DATE, HE WILL ARRANGE FOR SIMILAR PUBLICITY IN CHAMBER
OF COMMERCE AND CHAMBER OF INDUSTRY PUBLICATIONS.

ACTION 3: BY AUGUST 15, CASTRO AND HOGAN WILL HAVE COM-
PLETED LOGISTICAL ARRANGEMENTS WITH LOCAL CO-SPONSORING
ENTITIES.

ACTION 4: ON OR ABOUT AUGUST 26, USIS WILL ARRANGE FOR AD-
DITIONAL MEDIA PUBLICITY FOR SEMINAR.

ACTION 5: ON SEPTEMBER 9, AMBASSADOR WILL HOST RECEPTION
FOR SEMINAR PARTICIPANTS(FUNDED BY PMMI PARTICIPANTS IN
SEMINAR).

ACTION 6: DURING SEPTEMBER 9-10 SEMINAR, CASTRO WILL ARRANGE
FOR BROCHURES AND POSSIBLE TOURIST PACKAGE FOR VISIT TO
PMMI, OCTOBER 7-11 CHICAGO SHOW BE DISTRIBUTED TO PARTI-
CIPANTS. HANDOUTS WILL BE RESULT OF WORK WITH LOCAL TRAVEL
AGENT AND USIS AIMED AT PROMOTING GUATEMALAN ATTENDANCE AT
PMMI SHOW. SUBSEQUENTLY, CASTRO WILL MAKE FOLLOW-UP CALLS
ON FIRMS OR INDIVIDUALS THAT EXPRESSED INTEREST IN VISITING
SHOW. HALMO(VISA OFFICER) WILL FACILITATE ISSUANCE OF
VISAS.

ACTION 7: ON OR ABOUT OCTOBER 2, CASTRO WILL HOST REPRE-
SENTATIONAL BUFFET FOR ALL BUYERS AND THEIR WIVES COMMITTED
TO VISITING PMMI SHOW(FUNDS ALLOTTED \$50).

ACTION 8: ON OCTOBER 5, CASTRO WILL LEAD INDUSTRIAL GROUP
TOUR TO PMMI SHOW AND PLANT VISITS OF INTEREST(CASTRO PAR-
TICIPATION CONTINGENT MINIMUM SIZED GROUP OF 10 - FUNDS AL-
LOTTED \$700).

CAMPAIGN NO. 2: TEXTILE DYES, BLEACHES AND MACHINERY.

ANNUAL MAN-DAY ALLOTMENTS: FSO-5 CASTRO 10MD; FSO-7 HOGAN
5 MD; FSL-8 VILLAGRAN 30 MD; FSL-6 MCCLUCKIE 5 MD.

ACTION 1: BY SEPTEMBER 5, VILLAGRAN WILL IDENTIFY 25 LARGEST
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POTENTIAL CUSTOMERS BASED ON PREVIOUS CAP, TOP SURVEY OF
TEXTILE MANUFACTURERES. DURING NEXT SEVERAL WEEKS CASTRO,
HOGAN AND VILLAGRAN WILL MAKE VIP CALLS ON THESE FIRMS IN
AN ATTEMPT TO ENCOURAGE THEM VISIT ITEX '74 IN GREENVILLE, S.C.
SPECIAL MAILING OF ITEX '74 BROUCHURES WILL BE MADE TO OTHER
SELECTED FIRMS.

ACTION 2: BY SEPTEMBER 25, CASTRO WILL PUBLISH PROMOTIONAL
ARTICLE ONITEX '74 IN SEPT./OCT. ISSUE OF COMMERCIAL BUL-

LETIN.

ACTION 3: BY DEC. 1, VILLAGRAN WILL PREPARE PIMS ON TEXTILE DYES, BLEACHES AND MACHINERY (THIS LOGICAL CONCLUSION TO CAP TOP SURVEY CONCLUDED IN APRIL).

ACTION 4: PROVIDED DEPT. CONCURS PLAN PUT ON CATALOGUE SHOW IN 3RD. QUARTER FY 75 ON SUBJECT CAMPAIGN PRODUCTS. GIVEN SMALL 10 PERCENT U.S. MARKET SHARE, THIS MOST APPROPRIATE TYPE PROMOTIONAL EVENT FOR THIS MARKET. INCLUSION OF CATALOGUES OR LISTING OF U.S. USED TEXTILE MACHINERY DEALERS ESSENTIAL SUCCESS THIS CATALOGUE SHOW.

ACTION 5: IF CATALOGUE SHOW APPROVED, FERCH WILL HOST REPRESENTATION RECEPTION FOR POTENTIAL BUYERS AND REPRESENTATIVES. IN ADDITION, CASTRO WILL PREPARE ARTICLE ON CATALOGUE SHOW FOR JAN-FEB. ISSUE OF COMMERCIAL BULLETIN, SEEK PLACE SIMILAR ARTICLE IN TRADE ASSOCIATION PUBLICATIONS. USIS WOULD PROVIDE MEDIA PUBLICITY FOR SHOW. (FUNDS ALLOTTED: \$120).

CAMPAIGN 3 - MEXICAN TRADE CENTER(MTC)

ANNUAL MAN-DAY ALLOTMENTS - FSO-3 FERCH - 2 MD; FSO-5 CASTRO 5 MD; FSO-7 HOGAN 12 MD; FSL-8 VILLAGRAN 30 MD; FSL-6 MCCLUCKIE 8 MD.

UPCOMING MTC SHOWS ON GRAPHIC ARTS, MACHINE TOOLS AND WOODWORKING APPEAR TO BE OF INTEREST TO GUATEMALAN INDUSTRIALISTS. THEREFORE, FOR EACH SHOW A PIMS ON THAT PRODUCT GROUPING WILL BE PREPARED.

ACTION 1: BY JULY 23, VILLAGRAN WILL SUBMIT PIMS ON GRAPHIC ARTS MARKET. DURING COURSE OF SURVEY, HE WILL NOTE INTEREST IN AUGUST MTC SHOW FOR SUBSEQUENT PROMOTION.

ACTION 2: ON JULY 30, INDIVIDUALS EXPRESSING INTEREST IN SHOW WILL BE INVITED TO REPRESENTATIONAL BREAKFAST HOSTED BY FERCH(FUNDS ALLOTTED: \$35). DURING COURSE OF BREAKFAST, PROMOTIONAL MATERIAL RECEIVED FROM MTC WILL BE DISTRIBUTED.

ACTION 3: BY SEPT. 25, VILLAGRAN WILL SUBMIT PIMS ON MACHINE TOOL MARKET. DURING COURSE OF SURVEY HE WILL NOTE INTEREST

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IN OCTOBER MTC EXHIBITION ON MACHINE TOOLS FOR FOLLOW-UP PROMOTION.

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ACTION 4: ON OR ABOUT OCTOBER 11, INTERESTED FIRMS WILL BE VISITED AGAIN BY HOGAN AND VILLAGRAN AND LEFT WITH FURTHER PROMOTIONAL LITERATURE ON OCTOBER MTC SHOW.

ACTION 5: FOR NOV. 26, CASTRO WILL ARRANGE FOR MTC DIRECTOR TO ADDRESS LOCAL COMMERCIAL OR INDUSTRIAL ASSOCIATION. SAME EVENING, AMBASSADOR WILL HOST REPRESENTATIONAL RECEPTION FOR MTC DIRECTOR (FUNDS ALLOTTED: \$250). TARGET AUDIENCE BUYERS IN AREAS RELATED TO FORTHCOMING MTC SHOWS.

ACTION 6: BY NOVEMBER 15, HOGAN WILL SUBMIT PIMS ON WOOD-WORKING MACHINERY MARKET. DURING COURSE OF SURVEY HE WILL NOTE INTEREST IN DECEMBER WOODWORKING (BSP) MTC SHOW FOR SUBSEQUENT FOLLOW-UP CALLS.

CAMPAIGN 4-GOG INVESTMENT PROJECT LIST
ANNUAL MAN-DAY ALLOTMENTS: FSO-3 J.A. FERCH 5 MD; FSO-5 E. CASTRO 20 MD; FSO-7 J.HOGAN 5 MD; FSL-8 R. VILLAGRAN 5 MD; FSL-6 MCCLUCKIE 15 MD.

THIS GENERAL CAMPAIGN BEING SUGGESTED IN VIEW CHANGE IN ADMINISTRATION THAT TAKES PLACE IN JULY. NEW ADMINISTRATION MAY MAKE SOME CHANGES IN MAJOR PUBLIC INVESTMENT PROJECTS IN ADDITION TO COMING UP WITH SOME NEW PROJECTS. THIS CAM-
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PAGIN IS GEARED TO KEEPING ABREAST OF ALL SUCH DEVELOPMENTS IN THIS AREA. INITIAL ACTIONS INVOLVE ESTABLISHING CONTACTS WITH KEY PEOPLE IN NEW ADMINISTRATION.

ACTION 1: TARGET - MINISTRY OF COMMUNICATIONS AND PUBLIC WORKS WHICH IS BASICALLY RESPONSIBLE FOR MOST GOG MAJOR INVESTMENT PROJECTS. FERCH WILL, AS SOON AS IS APPROPRIATE,

ATTEMPT TO ESTABLISH CLOSE WORKING RELATIONSHIP WITH MINISTER. CASTRO WILL TRY ESTABLISH SAME WITH VICE-MINISTER. BY SEPTEMBER 30, FERCH WILL HOST REPRESENTATIONAL LUCHEON FOR MINISTER AND VICE-MINISTER (FUNDS ALLOTTED: \$24). RELATIONSHIP BE MAINTAINED BY PERIODIC VISITS THEREAFTER.

ACTION 2: TARGET - CHIEF OF PLANNING COUNCIL WHO WILL BE RESPONSIBLE FOR COMING UP WITH DEVELOPMENT PLAN FOR LAUGERUD'S ADMINISTRATION. FERCH AND CASTRO SEEK ESTABLISH CLOSE WORKING RELATIONSHIP WITH CHIEF PLANNING COUNCIL. CASTRO AND HOGAN WILL DO SAME WITH IMMEDIATE SUBORDINATES.

ACTION 3: TARGET - FEGUA'S MAJOR PROJECT PLANNED \$5.5 MILLION PURCHASE OF LOCOMOTIVES. EFFECTIVE IMMEDIATELY CASTRO WILL CALL ON FEGUA MANAGER PERIODICALLY IN EFFORT MAINTAIN CURRENT INFORMATION ON FEGUA'S PURCHASING SCHEDULE. CASTRO WILL ALSO WORK CLOSELY WITH LOCAL REPRESENTATIVES OF POTENTIAL U.S. SUPPLIERS TO ENSURE OPPORTUNITIES NOT LOST.

ACTION 4: TARGET - INDE GRID INTERCONNECTION WITH EL SALVADOR, CHIXOY HYDROELECTRIC PROJECT. CASTRO WILL MAKE PERIODIC CALLS ON NEW INDE GENERAL MANAGER TO OBTAIN STATUS REPORTS ON THESE PROJECTS. VILLAGRAN WILL DEVELOP CONTACTS WITH PLANNING AND ENGINEERING DEPARTMENTS. IDB AND IBRD TEAMS WILL BE CONTACTED DURING THEIR PERIODIC VISITS HERE ON THESE PROJECTS BY CASTRO.

ACTION 5: TARGET - SANTO TOMAS DE CASTILLA PORT AUTHORITIES. CASTRO WILL MAKE PERIODIC VISITS TO PORT AUTHORITY OFFICIALS TO ENSURE RECEIPT CURRENT INFORMATION OF PLANNED GRAIN TERMINAL VALUED AT OVER \$2 MILLION IN ADDITION TO PLANS FOR EXPANSION OF EXISTING WHARF AREA.

ACTION 6: TARGET - NEW \$8 MILLION MILITARY HOSPITAL (MAJOR UNCLASSIFIED

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PROJECT). CASTRO WILL CONTINUE MAINTAIN PERIODIC CONTACT WITH DIRECTOR MILITARY HOSPITAL TO ENSURE THAT WHEN GOG DECIDES GO AHEAD WITH THIS PROJECT U.S. SUPPLIERS WILL BE SO INFORMED.

ACTION 7: TARGET - IGSS HOSPITAL PROJECTS. CASTRO WILL MAINTAIN PERIODIC CONTACT WITH IGSS PLANNING STAFF TO ENSURE ADEQUATE FLOW OF INFORMATION ON IGSS PROJECTS MENTIONED IN DECEMBER 73 PIMS ON HOSPITAL EQUIPMENT.

TOPS CAMPAIGN

ANNUAL MAN-DAYS ALLOTTED: FSO-5 E. CASTRO 15 MD; FSO-7 J. HOGAN 25 MD; FSL-8 VILLAGRAN 15 MD; FSL-6 MCCLUCKIE

25 MD.

ACTION 1: BY JULY 15, CASTRO AND VILLAGRAN IN COLLABORATION WITH RIVERA (USIS INFORMATION OFFICER) WILL COMPLETE PREPARATION OF ILLUSTRATIVE BROCHURE ON TOPS PROGRAM FOR MASS MAILING. AS SOON AS MOVE INTO NEW CHANCERY BUILDING IS COMPLETED MAILING WILL BE EFFECTED.

ACTION 2: UPON RECEIPT ON USAID PROMOTION FILM ON TOPS (STATE A-4228) AND AFTER MOVE INTO NEW CHANCERY PAO GARCIA AND CASTRO WILL INVITE SELECTED GROUPS TO VIEW FILM.

ACTION 3: BY DECEMBER 15, CASTRO WILL VISIT SUGAR MILLS THROUGHOUT COUNTRY IN EFFORT DETERMINE PURCHASE PLANS. TOPS WILL BE SUBMITTED ON ALL INTERESTED FIRMS.

ACTION 4: BY FEBRUARY 25, HOGAN WILL CANVASS SAWMILLS AND REPRESENTATIVES SAWMILL EQUIPMENT. FOR THOSE WITH PURCHASING PLANS HE WILL SUBMIT TOPS (FUNDS ALLOTTED-TRAVEL \$50).

ACTION 5: BY FEBRUARY 15 VILLAGRAN WILL CANVASS 25 LARGEST BUYERS OR REPRESENTATIVES OF INSECTICIDAL AND HERBICIDAL PREPARATIONS. FOR THOSE WITH PURCHASING PLANS HE WILL SUBMIT TOPS.

ACTION 6: BY MAY 1, HOGAN WILL FOLLOW-UP ON NOVEMBER 73 PIMS ON FOOD PROCESSING BY CANVASSING 25 LARGEST BUYERS OR UNCLASSIFIED

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REPRESENTATIVES OF FOOD PROCESSING MACHINERY. FOR THOSE WITH PURCHASING PLANS HE WILL SUBMIT TOPS.

SURVEY CAMPAIGN

ANNUAL MAN-DAYS ALLOTTED: FSO-3 FERCH 2 MD; FSO-5 MCASTRO 20 MD; FSO-7 HOGAN 20 MD; FSL-8 VILLAGRAN 20 MD; FSL-6 MCCLUCKIE 20 MD.

ACTION 1: BY SEPTEMBER 5, CASTRO WILL SUBMIT PIMS ON AGRICULTURAL MACHINERY AND EQUIPMENT (BEST PROSPECT).

ACTION 2: BY SEPTEMBER 5, FERCH, CASTRO, HOGAN AND VILLAGRAN WILL MEET AND DECIDE WHICH PRODUCTS/SOURCES ARE TO BE RECOMMENDED AS "BEST PROSPECTS" IN THE ANNUAL REPORT DUE IN WASHINGTON BY SEPTEMBER 15. PROPOSED CAMPAIGNS FOR THESE "BEST PROSPECTS" WILL BE FORMULATED AND REPORTED IN THE QUARTERLY CAP REVISION DUE IN WASHINGTON BY OCTOBER 31.

ACTION 3: BY SEPTEMBER 20, HOGAN WILL MAKE DETERMINATION BASED ON PRELIMINARY INVESTIGATION IF PIMS ON HOTEL EQUIP-

MENT WOULD BE USEFUL. IF SO, BY OCTOBER 17, HE WILL SUBMIT
PIMS ON THIS PRODUCT GROUPING.

ACTION 4: BY MARCH 15, VILLAGRAN WILL MAKE PRELIMINARY IN-
VESTIGATIONS ON MARKET FOR MATERIALS HANDLING EQUIPMENT TO
DETERMINE IF PIMS WOULD BE USEFUL. IF SO, BY APRIL 15, HE WILL
SUBMIT PIMS ON THIS PRODUCT GROUPING.

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